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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

NOV 5 2021

DOCKETED BY

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LEA MÁRQUEZ PETERSON - Chairwoman
 SANDRA D. KENNEDY
 JUSTIN OLSON
 ANNA TOVAR
 JIM O'CONNOR

In the matter of

MY TRADER COIN, a.k.a. MTCoin, a.k.a.
 mytradercoin.com, a foreign entity,

NOW MINING, LLC, an Arizona limited
 liability company,

JONATHAN SIFUENTES SAUCEDO, an
 individual,

MARIO E. MAGANA SOSA and Alejandra
 Sosa, husband and wife,

MOISES HERRERA, SR. and Yolanda
 Herrera, husband and wife,

CARLOS PARRA and Noahmi Parra,
 husband and wife,

Respondents.

DOCKET NO. S-21108A-20-0181

DECISION NO. 78294

**ORDER TO CEASE AND DESIST, ORDER
 FOR RESTITUTION, ORDER FOR
 ADMINISTRATIVE PENALTIES AND
 CONSENT TO SAME**

**BY: RESPONDENT MARIO E. MAGANA
 SOSA AND SPOUSE**

Respondent Mario E. Magana Sosa ("Sosa" or "Respondent") and Alejandra Sosa ("Respondent Spouse") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Consent to Same ("Order"). Respondent and Respondent Spouse admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.**FINDINGS OF FACT****PARTIES TO THIS ORDER**

1. Sosa is a married individual who resided in Arizona during the time relevant to this Notice, i.e. 2017 through 2018.

2. Respondent Spouse was at all relevant times the spouse of Respondent and is joined in this action under A.R.S. §44-2031(C).

3. At all relevant times, Respondent and Respondent Spouse were acting for their own benefit and on behalf of and for the benefit of the marital community.

INTRODUCTION

4. This case involves a multilevel-marketing scheme for investments in worthless bitcoin/cryptocurrency companies. Sosa participated in offering and selling these investments.

5. From March 2017 and into 2018, Sosa offered investments in two different multi-level marketing companies, My Trader Coin and Now Mining LLC, to dozens of persons and sold these investments to at least 23 people for a total of approximately \$214,500.

6. Three of these investors received returns totaling approximately \$59,200. All the remaining investments were lost.

7. The companies depended on multi-level marketing to raise funds to purchase the cryptocurrency and machines.

8. In connection with offering and selling the investments, Sosa and the multi-level-marketing companies claimed that the companies would take investor funds and earn income either by purchasing cryptocurrency or by purchasing machines that would “mine” the currency. The investors would have no role in the companies. The companies and investors would earn profits together as the companies acquired cryptocurrency and it increased in value.

9. Ultimately, the investments turned out to be valueless and nearly all money invested was lost.

MTCOIN

10. The first cryptocurrency investment sold by Sosa was in MTCoin. MTCoin purported to take investor funds, pool those funds, and purchase and trade bitcoin or other cryptocurrencies. MTCoin would pay investors and make money for itself with profits from its trading activities.

11. MTCoin would also use its profits and revenues to pay investors for referrals. Investors would receive \$200 for every \$1,000 of investments they brought into MTCoin. MTCoin offered additional incentives and rewards, such as cars or vacations, for referrals.

12. In materials given to investors, MTCoin stated that “[MTCoin’s] unique investment system analyzes the best opportunities in the market, offering highly profitable investments to our affiliates.” It touted its investments as safe, without disclosing any risks: “My Trader Coin has the appropriate opportunity for those who want to achieve safety and financial independence.”

13. Several MTCoin investors received a one-page, MTCoin enrollment form in exchange for their investment. The form showed the amount of money invested and how much the investor was to earn. The earnings were expressed with this formula: “___ x \$12.00 x 300 DAYS/DIAS = \$_____” where the first blank was the number of each \$1,000 account created (e.g. if a person invested \$3,000, the number in the first blank would be “3”). Thus, using this formula, for each \$1,000 invested, the investor was to receive earnings of \$3,600.

14. Sosa started offering and selling investments in MTCoin in March 2017 when Jonathan Sifuentes introduced the investment opportunity to Sosa.

15. Sifuentes met Sosa on Facebook around 2015 when Sifuentes lived in Houston, Texas. The two met face-to-face in Dallas about a year later, in 2016, while Sosa was attending a presentation for selling water systems. About a year after that meeting, in early 2017, Sifuentes called Sosa to tell Sosa about MTCoin. Sifuentes did not explain his position at MTCoin. What was clear was that Sifuentes was a high-level marketer of MTCoin investments who was looking to find people

1 to buy MTCoin investments and sell investments to others. Sifuentes described MTCoin to Sosa as
2 a multi-level-marketing operation; he explained that MTCoin was like two multi-level-marketing
3 companies that Sosa had worked for over the previous 10 years, except that MTCoin was involved
4 in bitcoin.

5 16. Based on Sifuentes's representations, Sosa invested \$1,000 in MTCoin by giving
6 money to Sifuentes. After two weeks, Sifuentes came to Phoenix and met with Sosa and explained
7 more about MTCoin's business. Sosa's MTCoin account showed that his investment was valued at
8 \$1,500. Because of this increase in value after only two weeks and Sifuentes's representations, Sosa
9 invested another \$10,000; he gave this money to Sifuentes.

10 17. During this time, Sifuentes asked Sosa if Sosa knew any people in Phoenix that would
11 be interested in investing. Sosa did know people who would be interested and he began assisting in
12 organizing presentations that promoted MTCoin.

13 18. Some of these promotions were broadcasts on KASA Radio, an AM station with
14 broadcasts primarily in Spanish and directed at the Latino, Christian community. Respondents Herrera
15 and Parra operated KASA and frequently touted investments in MTCoin during radio broadcasts. Sosa
16 appeared as an occasional guest on these broadcasts. These broadcasts sometimes occurred several times
17 throughout the day and were essentially advertisements for investments in MTCoin. .

18 19. During these broadcasts, Herrera and his guests encouraged people to come to KASA
19 Radio to invest in MTCoin. They also encouraged people to attend various presentations about investing
20 in MTCoin.

21 20. Respondent Sosa held several presentations promoting MTCoin at various locations,
22 including Sosa's place of business, Team de Impacto Solar. At some of the presentations, dozens of
23 people were in attendance.

24 21. During at least one of these presentations held in Sosa's business offices, Sifuentes
25 and Sosa told offerees and investors in attendance that if they invested in MTCoin, they could earn
26 \$12 a day for every \$1,000 invested. Investor funds would be pooled, then MTCoin would purchase

1 bitcoin on investors' behalf. Investors were supposed to be able to withdraw cash after their account
2 made \$100. MTCoin would keep 20% of the profit brought in from the bitcoin it purchases. If
3 investors brought in new investors, they would get a \$200 commission for each \$1,000 account
4 opened. Investors later learned, however, that MTCoin paid commissions primarily by adding bitcoin
5 value to the investors' account, not by paying cash. .

6 22. Sifuentes and Sosa gave offerees and investors materials about MTCoin that included
7 the quotes in paragraph 13 above that described MTCoin as a safe investment. The materials also listed
8 all the bonuses investors get for bringing in new investors. Investors would not participate in operating
9 the business.

10 23. At another presentation about MTCoin, Sifuentes and Sosa told several offerees and
11 investors that they could also double or triple their MTCoin investment in just a few months.

12 24. MTCoin investors were told they would be able to withdraw cash from their earnings in
13 their MTCoin account (with accounts serviced by a company called Coinbase) soon after they invested.
14 Several investors invested as early as March 2017. The investors, however, were never able to withdraw
15 cash from their accounts as promised; most were unable to withdraw any cash at all.

16 25. Sosa failed to inform some MTCoin investors that previous investors had not been able
17 to withdraw cash from their accounts as promised.

18 26. Sosa offered MTCoin investments to dozens of investors and sold the investments to
19 at least 22 persons for a total of approximately \$194,500; these persons invested based on Sosa's
20 representations.

21 NOW MINING

22 27. Beginning in fall 2017, Sosa also sold investments in another cryptocurrency
23 investment, Now Mining.

24 28. Now Mining described itself as a company that would use mining robots to obtain
25 bitcoin. Now Mining would pool investor funds to pay for the robots. Investors and Now Mining
26 would make money from the profits obtained from the bitcoin.

1 29. Now Mining offered daily trading bonuses—money earned by Now Mining trading
2 the bitcoin it mined—while investors kept money in their Now Mining account. It also offered
3 bonuses for referring customers to Now Mining and for selling Now Mining plans.

4 30. Some Now Mining investors received a one-page registration form in exchange for
5 their investment. It showed the amount invested and the name of the sponsor, i.e. who sold the
6 investment. It did not contain any disclosures about the company or of risks associated with the
7 investment.

8 31. Sosa, along with Herrera and Parra, offered Now Mining investments at a presentation
9 in front of approximately 50 people.

10 32. In addition to presenting at the meeting described above, Sosa sent an email to at least
11 one Now Mining investor. The email described leasing machines that searched the internet and found
12 bitcoin.

13 33. Sosa failed to inform Now Mining offerees and investors that he had offered and sold
14 MTCoin investments to several persons, an investment that turned out to be worthless. This information
15 would have been material to investors in assessing Sosa's inability to value investments that he was
16 selling.

17 34. Sosa offered Now Mining investments to dozens of persons and sold these
18 investments to at least one person totaling approximately \$20,000; this person invested based on
19 Sosa's representations.

20 **MTCOIN AND NOW MINING**

21 35. Sosa never disclosed to offerees and investors the risks of investing in MTCoin and Now
22 Mining. These include risks associated with investing in bitcoin/cryptocurrency companies, for example,
23 that bitcoin and cryptocurrency markets are small, speculative markets prone to rapid fluctuations. He
24 also failed to disclose risks associated with investing with a business with little operating history, a
25 business not registered to do business, or a business that depended on multilevel marketing to generate
26

1 an income, including, for example, that it will be difficult then impossible to continue adding levels of
2 purchasers/sellers below each layer of existing purchasers/sellers.

3 **II.**

4 **CONCLUSIONS OF LAW**

5 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
6 Arizona Constitution and the Securities Act.

7 2. Respondent offered or sold securities within or from Arizona, within the meaning of
8 A.R.S. §§ 44-1801(16), 44-1801(22), and 44-1801(27).

9 3. Respondent violated A.R.S. § 44-1841 by offering or selling securities that were
10 neither registered nor exempt from registration.

11 4. Respondent violated A.R.S. § 44-1842 by offering or selling securities while neither
12 registered as a dealer or salesman nor exempt from registration.

13 5. Respondent violated A.R.S. § 44-1991 by making untrue statements or misleading
14 omissions of material facts.

15 6. Respondent's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-
16 2032.

17 7. Respondent's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
18 2032.

19 8. Respondent's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

20 9. Respondent acted for his own benefit and on behalf of and for the benefit of his and
21 Respondent Spouse's marital community and this order of restitution and administrative penalties is
22 a debt of the community.

III.**ORDER**

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent, and any of Respondent's agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED that Respondent complies with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent, as his sole and separate obligation, and Respondent and Respondent Spouse, as a community obligation, shall pay restitution to the Commission in the principal amount of \$155,300 (i.e. the \$214,500 sold less the \$59,200 returned to investors) as a result of the conduct set forth in the Findings of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission. Any principal amount outstanding shall accrue interest at the rate of ten percent per annum from the date of this Order, subject to any legal offsets, pursuant to A.A.C. R14-4-308(C).

Respondent's restitution obligation is joint and several with the other respondents under Docket No. S-21108A-20-0181.

IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii) at a rate per annum that is equal to one per cent plus the prime rate as published by the board of governors of the federal reserve system in statistical release H. 15 or any publication that may supersede it on the date that the judgment is entered.

1 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records
2 of the Commission. Any restitution funds that the Commission cannot disburse because an investor
3 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor
4 because the investor is deceased shall be disbursed on a pro-rata basis to the remaining investors
5 shown on the records of the Commission. Any funds that the Commission determines it is unable to
6 or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

7 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036 that Sosa, as his sole and separate
8 obligation, and Sosa and Respondent Spouse, as a community obligation, shall pay an administrative
9 penalty in the amount of \$20,000 as a result of the conduct set forth in the Findings of Fact and
10 Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made to the
11 "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

12 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
13 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
14 shall be applied to the penalty obligation.

15 For purposes of this Order, a bankruptcy filing by Respondent shall be an act of default. If
16 Respondent does not comply with this Order, any outstanding balance may be deemed in default and
17 shall be immediately due and payable.

18 IT IS FURTHER ORDERED, that if Respondent fails to comply with this Order, the
19 Commission may bring further legal proceedings against Respondent, including application to the
20 superior court for an order of contempt.

21 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
22 Order shall be deemed binding against any Respondent under this Docket Number who has not
23 consented to the entry of this Order.

24 IT IS FURTHER ORDERED removing Respondent from the Service List for future filings
25 in this Docket Number.
26

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRWOMAN MARQUEZ PETERSON


COMMISSIONER KENNEDY

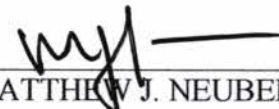

COMMISSIONER OLSON


COMMISSIONER TOVAR


COMMISSIONER O'CONNOR



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT,
Executive Director of the Arizona Corporation Commission,
have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this 5 day of November, 2021.


MATTHEW J. NEUBERT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Carolyn D. Buck, ADA
Coordinator, voice phone number (602) 542-3931, e-mail cdbuck@azcc.gov.

(RJM)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondent and Respondent Spouse admit the jurisdiction of the Commission over
3 the subject matter of this proceeding. Respondent and Respondent Spouse acknowledge that they
4 have been fully advised of their right to a hearing to present evidence and call witnesses and
5 knowingly and voluntarily waive any and all rights to a hearing before the Commission and all other
6 rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
7 Administrative Code. Respondent and Respondent Spouse acknowledge that this Order constitutes a
8 valid final order of the Commission.

9 2. Respondent and Respondent Spouse knowingly and voluntarily waive any right under
10 Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary
11 relief resulting from the entry of this Order.

12 3. Respondent and Respondent Spouse acknowledge and agree that this Order is entered
13 into freely and voluntarily and that no promise was made or coercion used to induce such entry.

14 4. Respondent and Respondent Spouse have been represented by an attorney in this
15 matter. Respondent and Respondent Spouse have reviewed this order with their attorney, **Michael**
16 **Reynolds** of Reynolds Legal Group, PLLC, and understand all terms it contains. Respondent and
17 Respondent Spouse acknowledge that their attorney has apprised them of their rights regarding any
18 conflicts of interest arising from dual representation. Respondent and Respondent Spouse
19 acknowledge that they have each given their informed consent to such representation.

20 5. Respondent and Respondent Spouse neither admit nor deny the Findings of Fact and
21 Conclusions of Law contained in this Order. They agree that they shall not contest the validity of the
22 Findings of Fact and Conclusions of Law contained in this Order in any present or future proceeding
23 in which the Commission is a party.

24 6. By consenting to the entry of this Order, Respondent agrees not to take any action or
25 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of
26

1 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual
2 basis.

3 7. While this Order settles this administrative matter between Respondent and
4 Respondent Spouse and the Commission, Respondent and Respondent Spouse understand that this
5 Order does not preclude the Commission from instituting other administrative or civil proceedings
6 based on violations, transactions, or conduct that is not addressed by this Order.

7 8. Respondent and Respondent Spouse understand that this Order does not preclude the
8 Commission from referring this matter to any governmental agency for administrative, civil, or
9 criminal proceedings that may be related to the matters addressed by this Order. However,
10 Respondent and Respondent Spouse reserve all rights relating thereto and has neither admitted nor
11 denied any of the Findings of Fact and Conclusions of Law.

12 9. Respondent and Respondent Spouse understand that this Order does not preclude any
13 other agency or officer of the state of Arizona or its subdivisions from instituting administrative,
14 civil, or criminal proceedings that may be related to matters addressed by this Order.

15 10. Respondent agrees that he will not apply to the state of Arizona for registration as a
16 securities dealer or salesman or for licensure as an investment adviser or investment adviser
17 representative until such time as all restitution and penalties under this Order are paid in full.

18 11. Respondent agrees that he will not exercise any control over any entity that offers or
19 sells securities or provides investment advisory services within or from Arizona until such time as
20 all restitution and penalties under this Order are paid in full.

21 12. Respondent agrees that he will continue to cooperate with the Securities Division
22 including, but not limited to, providing complete and accurate testimony at any hearing in this matter
23 and cooperating with the State of Arizona in any related investigation or any other matters arising
24 from the activities described in this Order.

25 13. Respondent and Respondent Spouse acknowledge that any restitution or penalties
26 imposed by this Order are community obligations.

1 14. Respondent and Respondent Spouse consent to the entry of this Order and agree to be
2 fully bound by its terms and conditions.

3 15. Respondent and Respondent Spouse acknowledge and understand that if Respondent
4 fails to comply with the provisions of the Order and this consent, the Commission may bring further
5 legal proceedings against him, including application to the superior court for an order of contempt.

6 16. Respondent and Respondent Spouse understand that default shall render Respondent
7 and the marital community liable to the Commission for its costs of collection, including reasonable
8 attorneys' fees and interest at the maximum legal rate.

9 17. Respondent and Respondent Spouse agree and understand that if Respondent fails to
10 make any payment as required in the Order, any outstanding balance shall be in default and shall be
11 immediately due and payable without notice or demand. Respondent and Respondent Spouse agree
12 and understand that acceptance of any partial or late payment by the Commission is not a waiver of
13 default by the Commission.

14 [Signature page follows]
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RESPONDENT MARIO E. MAGANA SOSA



Mario E. Magana Sosa

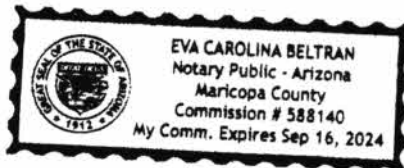
STATE OF ARIZONA)
) ss
County of)

SUBSCRIBED AND SWORN TO BEFORE me this 16 day of August, 2021.



NOTARY PUBLIC

My commission expires:

09/16/2024

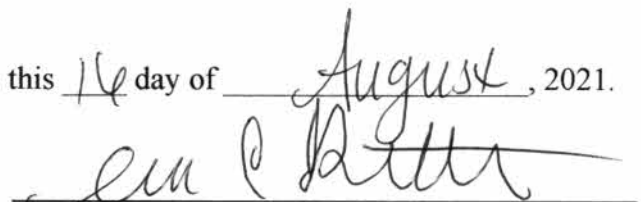


RESPONDENT SPOUSE ALEJANDRA SOSA


Alejandra Sosa

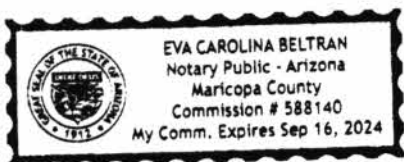
STATE OF ARIZONA)
) ss
County of)

SUBSCRIBED AND SWORN TO BEFORE me this 16 day of August, 2021.


NOTARY PUBLIC

My commission expires:

09/16/2024



1 SERVICE LIST FOR: My Trader Coin *et al.*

2
3 Michael T. Reynolds
4 Mtreynoldslaw@gmail.com

5 *Attorney for Respondents Sosa, Herrera and Parra*

6 David Williams
7 dwilliams@davismiles.com

8 *Attorney for Respondent Now Mining*

9 Alan Baskin
10 alan@weissbrown.com

11 *Attorney for Respondent Sifuentes*
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